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SUBJECT: UKRAINE: EUR DAS KRAMER AND OVP DNSA WOOD'S 5/23
MEETING WITH OUR UKRAINE'S ROMAN BEZSMERTNY

Classified By: Ambassador for reasons 1.4 (b) and (d).

Summary

¶1. (C) In a lengthy May 23 discussion with Ambassador, EUR DAS David Kramer, and OVP Deputy NSA Joseph Wood, Our Ukraine's (OU) lead negotiator in the coalition formation talks predicted that an "Orange variant" would soon prevail and that a new government would be in place by mid-July. The new Team Orange would feature Yuliya Tymoshenko as prime minister and her rival, Petro Poroshenko, as the new Rada speaker. Poroshenko was tainted by credible corruption allegations, but wielded significant influence within OU; Poroshenko's price had to be paid. Given the bad blood between Poroshenko and Tymoshenko, Bezsmertny said he had serious doubts about the coalition's viability. He argued, though, that President Yushchenko could force the two antagonists to "behave" by threatening to call new Rada elections -- a scenario both wished to avoid. Bezsmertny read from an updated copy of the Orange coalition agreement, which he said was detailed and would provide fixed boundaries for both Tymoshenko and Poroshenko. The holdup right now was Yushchenko, as the President continued to review his options and insist that the Party of Regions be brought on board in some fashion -- something Bezsmertny strongly opposed. End summary.

Latest On Coalition Talks

¶2. (C) During a May 23 meeting with Ambassador, EUR/DAS David Kramer, and Deputy National Security Adviser to the Vice President Joseph Wood, Our Ukraine's point man in the Rada majority coalition formation negotiations Roman Bezsmertny predicted that an Orange coalition would be formed by mid-June and that Ukraine would have a new government in place by early July.

Speaker Poroshenko, or Else

¶3. (C) According to Bezsmertny, the new Team Orange would feature Yuliya Tymoshenko in an encore performance as prime minister and her rival Petro Poroshenko as the new Rada Speaker. In response to questions about the logic of making Poroshenko Rada speaker, Bezsmertny said there was no other way to create an Orange coalition. Poroshenko's reputation was tainted by serious corruption allegations, but he wielded significant influence within Our Ukraine, and his interests had to be accommodated -- it was as simple as that, Bezsmertny emphasized. Current Prime Minister Yuriy Yekhanurov could be expected to head the National Security and Defense Council (NSDC), while recently resigned NSDC chief Anatoliy Kinakh would become the head of the Rada's National Security and Defense Committee. (Note: It is not

clear how this jibes with reports that this committee has been split into two committees.) Socialist Party leader Oleksandr Moroz would shepherd the Rada majority, Bezsmertny said.

How Long Will It Last?

14. (C) Bezsmertny acknowledged that, given the bad blood between Tymoshenko and Poroshenko, he had "serious doubts" about the viability of an Orange coalition; he declined to predict how long the arrangement would last. He argued, though, that President Yushchenko could "make them behave" by threatening to dissolve parliament and call new elections -- a prospect that Bezsmertny said Tymoshenko and Poroshenko both dreaded. Noting that "there is a thin line between love and hate," Bezsmertny suggested that Tymoshenko and Poroshenko might appear in public, shake hands, agree to "do business" together, and jointly blame former State Secretary Oleksandr Zinchenko for causing last September's political blowup that prompted President Yushchenko's Solomonic decision to sideline both Tymoshenko and Poroshenko.

Good Luck

15. (C) Responding to questions about whether a Poroshenko-controlled Rada would be able and/or willing to pass needed legislation, Bezsmertny read selected passages from the latest version of the Orange coalition agreement, which both Tymoshenko and Poroshenko would be obligated to heed. Bezsmertny asserted that the extremely detailed document would form the "boundaries" for Tymoshenko and Poroshenko; failure to stick to the agreement would be cause for Yushchenko to step in and call new elections. In

KIEV 00002038 002 OF 002

response to a question from Ambassador, Bezsmertny acknowledged that Tymoshenko had not read, let alone agreed to, this latest text.

The Yushchenko Factor

16. (C) Bezsmertny pointedly blamed President Yushchenko for the slow pace of the coalition negotiations and the fact that, nearly two months after parliamentary and local elections, Ukraine still had no new government in place. Yushchenko was still reviewing all his options, Bezsmertny said, grousing that he "had no idea" when the president would act. Bezsmertny related that he had recently told Yushchenko that there were two real options: an Orange coalition or an Orange-Blue deal with the Party of Regions. Yushchenko was inclined to choose the "Orange variant," but was still insistent on getting Regions inside the proverbial tent. Bezsmertny emphasized that he opposed working with Regions, noting that Regions wanted the Ministries of Finance and Justice, the NSDC and the Rada Speakership as the price of joining Yushchenko's Grand Coalition. "If you give them all that," Bezsmertny commented, "then who will really control the government?"

7, (U) OVP DNSA Wood cleared this message.

18. (U) Visit Embassy Kiev's classified website:
www.state.sgov.gov/p/eur/kiev.
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